

Administrative Services

PA 196 of 2014 changed the definition of Great Start Readiness Program (GSRP) funds which can be budgeted for administration of the grant. For 2014-2015, MDE offers the following guidance:

1. An ISD or a consortium of ISDs may use, for administrative services, a maximum of two percent of the total allocation.
2. Additionally, an ISD or a consortium of ISDs may use a maximum of two percent of the total allocation for centralized collaborative recruitment, enrollment and public awareness of the program.
3. Subrecipients, including an ISD or a consortium of ISDs directly implementing the grant, may use, for administrative services, a maximum of five percent of the total allocation contracted to GSRP subrecipients to implement preschool programming.

Administrative caps are calculated discretely, with consideration for an ISD or consortium of ISDs that directly implement the grant. The following function codes are considered 'administrative:' 230, 240, 250 and 280. Function code 260 is discontinued as an administrative code for GSRP.

Example:

- The ISD total allocation is \$1,000,000; the ISD may retain 2% for administration of the grant; \$20,000.
- The ISD may retain an additional 2% (\$20,000) for centralized collaborative recruitment, enrollment and public awareness of the program.
- The ISD has one subrecipient that receives \$480,000 for operating GSRP; the subrecipient can use up to 5% for administration of the program; \$24,000.
- The ISD also operates a program directly and keeps \$480,000 for that purpose; the ISD can use up to 5% for administration of the program; \$24,000.

Before contracting with grant subrecipients, the ISD must determine the percentage of the total allocation which it will dedicate to centralized, collaborative outreach-recruitment-awareness activities and ISD-level administration of the grant.

Subrecipient contracts must include statements regarding the administrative services for both the ISD and subrecipient, including the percentage for each and the use. The contracts should also specify the amount for programmatic services, such as the ECS and PQA fees, that will remain in the ISD portion of the budget.

Before submitting the FY15 MEGS+ GSRP Implementation Plan (formerly 'Application') the ISD must ensure that detailed administrative items in the slot allocation budget and the transportation budget are reasonable for the quality of the activities proposed, include proper function codes, and that costs are properly allocated between administration and program service delivery. There can be instances where a

subrecipient is at or below the maximum administrative limit and still have excessive administrative costs for a position or service. There can be instances where a subrecipient wishes to classify an item as a 'dual benefit cost' and in these instances the ISD may permit split-funding if the subrecipient can clearly document to the ISD the allocation of costs. For example, personnel costs for a center director and secretary are primarily administrative costs. However, the ISD may permit split-funding with proper supportive documentation, such as a position description. In this instance, costs initially classified as dual benefit costs must be additionally designated as administrative or programmatic. The documentation that justifies split funding must be kept on file for audit.

Refer to the ISD Administration of GSRP section of the Implementation Manual for more information on written agreements. Refer to the Budget section of the Implementation Manual for additional budget guidelines.